



Policy Brief.....Military Construction Appropriations

September 21, 2001

H.R. 2904 — Military Construction Appropriations Act for Fiscal Year 2002 (Hobson)

Order of Business: The bill is expected to be considered on Friday, September 21st.

Summary: The bill would appropriate **\$10.5 billion** for military construction activities as follows:

- Military Construction: \$5.9 billion,
- Family Housing: \$4.1 billion, and
- Base Realignment and Closure: \$553 million.

This \$10.5 billion appropriation would be \$530 million (5.3%) more than the President's request and \$1.56 billion (17.4%) more than FY2001. Highlights of the appropriations include:

Military Construction (\$5.9 billion total)

Broken Down By Type of Construction:

- \$1.2 billion for 51 new barracks
- \$43 million for child development centers
- \$199 million for hospital and medical facilities
- \$173 million for the Chemical Demilitarization Program
- \$163 million for the NATO Security Investment Program
- \$823 million for Guard and Reserve components

Broken Down By Defense Component:

- *Army*--\$1.74 billion (\$36.4 million in rescissions)
- *Navy*--\$1.15 billion (\$19.6 million in rescissions)
- *Air Force*--\$1.19 billion
- *Defense-Wide*--\$863.1 million (\$10.3 million in rescissions)
- *Army National Guard*--\$313.3 million
- *Air National Guard*--\$198.8 million
- *Army Reserve*--\$167.8 million
- *Naval Reserve*--\$62.4 million (\$925,000 in rescissions)

- *Air Force Reserve*--\$81.9 million

Family Housing (\$4.1 billion total)

- \$1.1 billion for building and improving 6800 housing units and privatizing another 28,000 units
- \$2.9 billion for operation and maintenance of existing units

Broken Down By Defense Component:

- *Housing Construction, Army*--\$294.0 million
- *Housing Operation and Maintenance, Army*--\$1.10 billion
- *Housing Construction, Navy and Marine Corps*--\$334.8 million
- *Housing Operation and Maintenance, Navy and Marine Corps*--\$910.1 million
- *Housing Construction, Air Force*--\$536.2 million
- *Housing Operation and Maintenance, Air Force*--\$858.1 million
- *Housing Construction, Defense-Wide*--\$250,000
- *Housing Operation and Maintenance, Defense-Wide*--\$43.8 million
- *DOD Family Housing Improvement Fund*--\$2.0 million
- *Homeowner's Assistance Fund*--\$10.1 million

Base Realignment and Closure (\$553 million total)

- \$512 million for environmental restoration and caretaker costs for facilities previously closed

General Provisions

- Prohibits funds from being used to construct new bases in the U.S. for which specific appropriations have not been made.
- Prohibits funds from being used to acquire land.
- Prohibits funds from being used to procure steel for any project for which American steel producers, fabricators, and manufacturers have been denied the opportunity to compete for such procurement.
- Requires notification of Congress to initiate a new installation overseas.
- Requires architect and engineer contracts for projects in Japan, any NATO country, or in countries bordering the Arabian Gulf to be awarded to American firms (either solely or in joint venture with host-nation firms).
- Prohibits the awarding to a foreign contractor of military construction contracts exceeding \$1 million for projects in the U.S. territories, possessions in the Pacific, and in countries bordering the Arabian Gulf (subject to conditions and exceptions).
- Mandates the Secretary of Defense to inform Congress 30 days in advance of any military exercise if \$100,000 or more of military construction is required.
- Prevents more than 20% of appropriated military construction funds limited for obligation during the current fiscal year to be obligated during the last two months of the fiscal year.
- Makes permanent the privatization program that allows private companies to construct or manage military housing.

Some Key Issues: The funding levels in this bill did not change as a result of last week's terrorist attacks.

Cost to Taxpayers: As detailed in the "Summary" above, this bill would appropriate \$10.5 billion in FY2002.

Does the Bill Create New Federal Programs or Rules?: No. It increases funds for pre-existing programs.

Constitutional Authority: The Appropriations Committee (in House Report 107- 207) cites constitutional authority in Article I, Section 9, Clause 7 ("No Money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law").

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